



## U.S. Department of Justice

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### **COUPLE ARRESTED IN MULTI-STATE TRAVEL SCAM**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that SHERYL DENISE DAVIS, 50, and DANIEL WALLACE SMITH, 43, previously of California and Nevada, were indicted by a federal grand jury on September 30, 2004, and charged with mail fraud. The indictment was sealed until this morning to avoid the flight of defendants DAVIS and SMITH. The couple was arrested on November 21, 2004, at the Silver Legacy Hotel and Casino around 11:30 a.m. without incident. After being transported to Sacramento from Nevada, the defendants were arraigned today on the Indictment before U.S. Magistrate Court Judge Kimberly J. Mueller. Each defendant pleaded not guilty. Their next scheduled court date is a status conference on December 29, 2004.

The case is the product of an extensive investigation by the U.S. Postal Inspection Service.

According to Assistant United States Attorneys Robin Taylor and Matthew Stegman, who are prosecuting the case, the defendants are charged with 14 counts of mail fraud, which includes a sentencing enhancement because the crimes involved telemarketing fraud. The defendants are alleged to have engaged in schemes to defraud, including advertising vacation packages, hotel accommodations, car rentals, gift certificates, and other services in major newspapers throughout the country, including the Arizona Daily Star, the Arizona Republic, the Chicago Sun Times, the Los Angeles Times, the San Diego Union Tribune, and the San Jose Mercury News. The defendants paid for the advertisements with forged checks drawn on nonexistence bank accounts purportedly held at California Federal Bank.

The defendants offered vacations in locations such as Hawaii, Las Vegas, and advertised hotel stays at chains including Hilton Hotels and Holiday Inn. These ads contained numerous false statements, and instructed customers to send checks and money orders to private postal mail boxes. Although the defendants were paid for the services, they failed to deliver the goods or services for which they had been paid. As a result of the fraud, defendants DAVIS and SMITH unlawfully obtained more than \$202,317.

For the mail fraud violations, defendants DAVIS and SMITH face a maximum of up to

20 years imprisonment per count, \$250,000 fine, and restitution. The telemarketing fraud enhancement would allow the sentencing judge to include up to five additional years to any term of imprisonment imposed.

The indictment on file contains only accusations, and defendants SMITH and DAVIS are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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